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### Gas prices plummet despite oil demands

By **Greg Kratz**  
Deseret Morning News

Average gasoline prices plummeted 13 cents per gallon in the Salt Lake area and 10 cents per gallon statewide during the last month, according to a new report from AAA Utah.

#### Lowest reported gas prices

Gas type	Price	Location
Regular	\$1.73	Sams Club (Murray)

For info., visit: [UtahGasGuide.com](http://UtahGasGuide.com)

The average Salt Lake price for a gallon of regular, unleaded gasoline is now \$1.82, the AAA report said, while the average for all of Utah is \$1.90 per gallon. The national average is also \$1.90, down 7 cents from last month, AAA said.

Gas prices have fallen despite continued strong global demand for crude oil and market jitters based on possible disruptions to Middle East supplies, the report said. Decreased demand and adequate refinery output have helped push prices down.

"The Energy Information Administration reports that demand in recent weeks has increased less than 1 percent from 2003 levels, while comparisons from earlier in 2004 showed 3 to 4 percent increases," said Rolayne Fairclough, AAA Utah spokeswoman. "The question is if high prices caused the decrease in gasoline use, or if other conditions, such as the slow economy, Iraq war, travel inertia or rainy weather, caused the slowdown."

Meanwhile, the Paris-based International Energy Agency predicted Tuesday that sizzling growth in world oil demand will cool somewhat to 2.2 percent in 2005, as China and other oil-hungry developing countries approach their limits for refining and transporting crude.

Demand next year will average 83.2 million barrels a day, and crude supplies from Russia, Angola and Brazil will meet the bulk of the increased needs, the agency said in its monthly oil market report.

However, uncertainties about supplies from Iraq, Nigeria and some other large producers — together with limited spare production capacity everywhere — could upset these estimates, it said.

Crude oil futures on the New York Mercantile Exchange set for August delivery settled down 6 cents Tuesday at \$39.44 a barrel.

All of the Utah cities surveyed by AAA saw gas prices fall in the last month. Provo's average gas price dropped 11 cents to \$1.88 per gallon, while the average in Ogden fell 9 cents to \$1.87.

The average Salt Lake price for a

#### AVERAGE Gas prices

Self-service unleaded regular

Prices rounded to nearest cent

AVERAGE		Idaho	
National	\$1.90	Idaho	1.97
Utah	1.90	Colorado	1.90
Montana	1.98	Arizona	1.95
Wyoming	1.86	Nevada	2.10
UTAH		California	2.23
Ogden	\$1.87	Salt Lake City	1.82
Provo	1.88	St. George	1.96
Vernal	1.96	Moab	1.98

SOURCE: AAA

Deseret Morning News graphic

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And the trend is reflected in other Western states. Wyoming motorists are paying the least at an average of \$1.86 per gallon, down 5 cents from June. Californians are paying the most at an average of \$2.23, down 9 cents from last month.

AAA Utah surveys a limited number of communities across the state in its monthly gasoline price survey, and the resulting figures are averages. Individual service stations sell gas at both higher and lower prices, sometimes even in the same city block.

*Contributing: The Associated Press*

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